

# MEMORANDUM

**To:** Lincoln City Council Members  
**From:** Wynn Hjermstad, Urban Development  
**Date:** January 28, 2009  
**Re:** Cost Benefit Analysis for the *North 27<sup>th</sup> Street Corridor and Environs Redevelopment Plan*, Matt Talbot Kitchen and Outreach Project.

Attached is a cost benefit analysis for your consideration with the amendment to the *North 27<sup>th</sup> Street Corridor and Environs Redevelopment Plan*. The amendment adds the Matt Talbot Kitchen and Outreach Project to the Plan.

The Plan amendment is scheduled for public hearing on February 9<sup>th</sup>. In the meantime, please contact me if you have any questions: 441-8211 or [whjermstad@ci.lincoln.gov](mailto:whjermstad@ci.lincoln.gov).

Thank you.

**Cost Benefit Analysis**  
**Matt Talbot Kitchen and Outreach Project**  
**January, 2009**

The Matt Talbot Kitchen and Outreach (MTKO) Project (the "Project") will utilize the existing facility at 2121 N. 27<sup>th</sup> Street, the old Carnegie Library, and complete construction of a new facility to comprise a total of approximately 12,000 square feet. The project will include renovation of the Carnegie Library building and new construction of an approximately 9,000 square foot building and related parking.

As required by Nebraska Community Development Law (Neb. Rev. Stat. §18-2113), the City has analyzed the costs and benefits of the proposed MTKO Project including:

**Tax Revenues.** The site is currently under city ownership, acquired for construction of the 27<sup>th</sup> Street overpass, and is not on the property tax rolls. MTKO is a non-profit organization that also does not pay property taxes; therefore, the impact to property taxes is neutral. The estimated total cost to implement the Project is approximately \$2 million which includes approximately \$400,000 of public investment. The source of public funds will be Tax Increment Financing (TIF) estimated to be \$400,000 generated from private development within the North 27<sup>th</sup> Street Redevelopment Area. The public investment of \$400,000 will leverage \$1,600,000 in private sector financing, resulting in a private investment of \$4.00 for every City TIF dollar spent.

**Public Infrastructure and Community Public Service Needs Impacts.** It is not anticipated that the Project will have an adverse impact on existing public infrastructure as it will take advantage of existing infrastructure.

Community public service needs will be enhanced by this new location. MTKO statistics show that many of the people served live in the surrounding Clinton neighborhood. Also, the agency has outgrown its current facility. This new, larger facility will increase capacity, allowing MTKO to continue to provide needed services.

**Employment Within the Project Area.** It is not anticipated that the Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the redevelopment project. MTKO may add one or two new positions.

**Employment in the City Outside the Project Area.** Approximately 125,936 persons living in the City of Lincoln were employed, according to the 2005 American Community Survey. The median household income for the City in 2005 was \$45,790.

**Other Impacts.** In 2008, 105,702 meals were provided by MTKO. However, the agency provides much more than meals. Since 2000, Strategic Planning by the Board of Directors resulted in expanding homeless prevention services and programs. Outreach Services address a multitude of complex needs for homeless or near

homeless people. Some of the services provided and projects underway include weekly neighborhood food distribution, life skills enhancement classes, the Homeless Identification Project, nutrition counseling, health outreach, the Vision Improvement Project, Transitions House, Housing Case Management, the Social Security Outreach and Recovery program, street outreach, and monthly foot clinic. By focusing on homeless prevention and services, MTKO saves the community in emergency services for health, shelter and other needs.

Volunteers are the core of the agency: with 10,089 instances of volunteer assistance provided in 2008, MTKO coordinates one of the largest volunteer programs in Lincoln. In 2007, \$193,002 was reported as in-kind donations for volunteer food costs and \$397,838 was the value of volunteer labor.

With MTKO located on 27<sup>th</sup> Street, existing businesses could benefit from the number of MTKO volunteers who will now be coming to the area, potentially patronizing businesses there and resulting in increased sales and sales tax revenues.